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***DECISION MAKING AND RESULTS ANALYSIS OF THE  
MANAGEMENT OF CORIA DEPARTMENT OF MARKETING  
COMPANY IN THE MARKET SEJD1920B***

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## **Abstract**

The purpose of this paper is to present a report on the management of the company Coria Ltd., with a special emphasis on the department of marketing. The period chosen is July 1st, 2020 through January 1st, 2024, which is the first four years the new management team has taken ownership of the company intending to internationalize the company, developing new products, and adhere to the United Nation's Sustainable Development Goals. To prove the accomplishment of these goals, the paper explores first the identity of the company and its role in the market of gym machinery, the essential role of the Four Ps methodology within the decision-making process in the marketing analysis to later analyze the results obtained through this procedure.

**Keywords:** Management, Marketing, Business, Internationalization, Strategy.

## **Resumen**

El propósito de este documento es presentar un informe sobre la gestión de la empresa Coria Ltd., con especial énfasis en el departamento de marketing. El periodo elegido es desde el 1 de julio de 2020 hasta el 1 de enero de 2024, que son los primeros cuatro años que el nuevo equipo directivo se ha hecho cargo de la empresa con el objetivo de internacionalizarla, desarrollar nuevos productos y adherirse a los Objetivos de Desarrollo Sostenible de las Naciones Unidas. Para probar el cumplimiento de estos objetivos, el documento explora primero la identidad de la empresa y su papel en el mercado de maquinaria de gimnasios, el papel esencial de la metodología de las Cuatro Ps dentro del proceso de toma de decisiones en el análisis de marketing para luego analizar los resultados obtenidos a través de este procedimiento.

**Palabras clave:** Gestión, Marketing, Negocios, Internacionalización, Estrategia.

## **1 Introduction**

This final thesis is based on a simulation on the Gestionet platform, where groups of graduating seniors were made with each of them managing through the internet a department within the fictional company, in this case, called Coria (hereinafter also referred to as the Company or Coria Ltd.). The positions to be fulfilled included Chief Executive Officer (CEO), Chief Marketing Officer (CMO), Chief Human Resources Officer (CHRO), and Chief Financial Officer (CFO), this concrete thesis has been made from the CMOs point of view and will be analyzing their decision-making methodology and the results obtained through the procedure and guidelines established.

This final thesis aims to prove in a relevant and concise fashion the evolution of the Company throughout the four years since new management took over. Also, to show the necessary knowledge needed as a business management graduate, with special emphasis in the marketing area. To do so this document is structured in three main blocks. The first one will analyze Coria, Coria's identity, structure, the market for its products, clients, and competitors. The second one will perform a breakdown of the marketing department, the methodology used, and how it is integrated and relevant within the company. The third one will analyze the results obtained by examining decisions taken in the four main areas the marketing department manages: price, promotion, place, and product. Lastly, conclusions will be drawn from the process, both personal and relevant as a CMO.

As for what the company aimed to achieve throughout the process, three main objectives were set: internationalization, develop new products, and to comply with the United Nations Sustainable Development Goals. Be that as it may, the marketing department also developed its own set of goals: to gain market share, to keep prices reasonable with the incurred costs and market, and to accurately promote the products in Coria's portfolio.

The main issue encountered was the shift in the way decisions were made, as it was needed to stop the in-person meetings and make the transition to an online communication platform. However, the way the group took decisions and communicated within themselves remained intact and respect to the other teammates was maintained throughout. Part of this document was written by the team as a whole to obtain a united front as a company and to do so, parts were evenly distributed, and

every detail was agreed upon. Teamwork, however challenging it can be at times was truly achieved in this process and this thesis is the product of that hard work and is proving that hard work, both in the simulation and the written thesis.

## **2 Coria Ltd. and the Market**

This section aims to make a complete and deep description of Coria Ltd. and its market, a recently born startup dedicated to the production and sale of fitness equipment. Firstly, it is going to be explained how the company was born and a brief history of it. Also, Coria's mission, vision, and values are going to be presented to understand its reason for existence and the essence of its business. For concluding with this first part, a general description of the firm's identity will be given which includes main data and figures.

Secondly, the structure of Coria as a company will be analyzed. In the first place, the sector in which the firm operates will be analyzed. Here, it will be given information about the current state of the fitness equipment sector and its main trends. Then, it will be introduced the product portfolio, its composition as well as the main characteristics of the items that the firm commercializes. Besides, in this second part, it will also be explained the resources and capabilities with which the company can develop its transformation activity. And, as the last element to point out the organizational structure and the internal organization of the firm will be explained.

Finally, it will be analyzed the intricacies of the market structure in which Coria operates. Specifically, Coria develops its activity in three main areas: Europe, North America, and South America. For each one of these areas, it will be given precise information about the phase of the product lifecycle in which each product is in each area. Furthermore, the behavior of competitors and potential customers will be investigated for each geographical area, especially how this last group is sensitive towards factors like quality or price.

### **2.1 Coria: History, Mission, and Identity**

#### **2.1.1 History**

Coria Ltd. is a Sevillian start-up dedicated to the production and sale of sports equipment. It was founded in June 2019 by five Business Administration students of Loyola Andalucía University. This new business arises intending to empower the

Sevillian industry and to confront one of the major diseases that has been growing in the past few years: obesity.

At the very beginning, Coria Ltd. was marketing two products in the province of Seville. Nonetheless, its high demand growth in the country and the European Union boosted the expansion of the firm not only domestically but across the whole European continent.

Due to this popularity, Coria has been developing new products to meet the demands of its customers. Plus, the company is continuing its international expansion. At present, Coria Ltd. trades four different products whose features have made the young company a leader in the industry in both Europe and the American markets.

Coria Ltd. is a Sevillian company specialized in the manufacture and sale of sports equipment. The company was founded in 2010 to empower the Sevillian industry and to confront one of the major diseases that has been growing in the past few years: obesity.

At the very beginning, Coria Ltd. was marketing two products in the province of Seville. Nonetheless, its high demand growth in the country and the European Union boosted as well as the shift of the board of directors resulted in the expansion of the firm not only domestically but across the whole European continent.

Due to this popularity, Coria Ltd has been expanding its product portfolio throughout the years to meet the demands of its customers. Plus, the company is continuing its international expansion. At present, Coria Ltd. trades four different products whose features have made the young company a leader in the industry in both Europe and the American continent.

### **2.1.2 Coria's Mission and Goals**

The mission of a company constitutes its identity and personality at the present but also as regards the future. An essential aspect to take into consideration is that the mission must be known by all the members of the organization because it is a statement of beliefs that help to guide and orientate all stakeholders. As a consequence, the mission of a company can be defined as a statement of principles through which a company presents itself to the society (Navas López & Guerras Martin, 2013).



There are three fundamental aspects that the mission of a company must contain: the scope of the firm, identification of its capabilities, and the ingredients of its corporate culture. So, at the time of defining Coria's mission is essential to take into account these (Navas López & Guerras Martin, 2013). Then, Coria presents itself to society as the following: "Coria's mission is to provide sports and fitness equipment to individuals and big sports facilities in Europe and America. It compromises with promoting an active and healthy life as well as the best personal assessment of Coria's customers. Designing the best products in terms of price, quality, and innovation will be its primary goal".

Regarding the vision of a company, it is important to point out that it reflects the firm's trajectory in future time. Additionally, the vision must incorporate a profound sense of success, reflects stability over time, and make the effort of the workforce worthwhile (Navas López & Guerras Martin, 2013). Coria's vision incorporates all three aspects and states the following: "Coria's vision is to be the leading company in the fitness equipment within the industry and to expand its business worldwide. It wants to build in society a culture of sports and encourage its workforce with greater opportunities for professional and personal development".

Finally, Coria as a company tries to achieve its mission and vision applying the following values which form part of its organizational culture:

- Innovation: to grow as a company in a competitive environment innovation is essential. Trying to improve the products according to the last discoveries by questioning the way things are done.
- Customer focus: provide the finest after-sales service and customize products according to the users' needs. The goal will be to bring to the users the best amazing experience while they exercise.
- Quality, excellence, and efficiency: Coria produces to achieve the best quality possible related to price. Besides, it pursues excellence and works towards efficiency daily.
- Professional development: the employees are the heart of the company; they make possible the activities that it carries out every day. Therefore, workers will be offered at the highest level of training possible.

- **Compromise with the environment:** Coria is concerned about climate change and the impact of its activity on the environment. That is why it tries to minimize the wastes of its production process and buy biodegradable raw materials.
- **Integrity:** all the employees work with honesty and ethics trying to increase the trust of the society in Coria. Furthermore, the company works with total transparency towards all its shareholders.

### **2.1.3 Coria's Identity: Main Data and Figures**

The purpose of defining Coria's identity is to determine its nature and fundamental characteristics. Thus, the aim is to improve knowledge about the traits defining the firm. Therefore, knowing the identity of Coria will help to understand in a better way "the basic strategic support for its competitive strategy" (Navas López & Guerras Martin, 2013).

For defining a firm's identity, the following essential features must be taken into account: age, size, type of ownership, geographical scope, legal structure, and the scope of the firm. So, below in this section is given a wide description of these features about the company Coria (Navas López & Guerras Martin, 2013).

Firstly, regarding the age of Coria, it is necessary to say it is a start-up that was born in 2019. It emerges in a complex environment characterized by a high degree of uncertainty and constant changes in the market. This means that Coria must be prepared to adapt itself quickly to the environment to be competitive. Furthermore, to achieve that it must be flexible.

Concerning the size, a company can be classified as large, medium-sized, small, or micro. Coria Ltd is a large company as its workforce is composed of 831 unionized employees. Also, it has a sales turnover of 264.908.647€ and a value of 224.221.559€ in total assets.

According to the type of ownership, companies can be classified as private, public, or mixed. Coria Ltd. is a private company whose ownership belongs to Mubadala Investment Company (82.5%), The Vanguard Group, Inc. (8.88%), and Goldman Sachs (8.62%). Furthermore, Coria is a profit-making company. Then, its surpluses are given to the shareholders on the basis that the first step for building significant relationships with them it is essential to pay dividends.

Regarding the geographic scope of a firm, the following distinctions can be made local, provincial, regional, national, or international companies. As Coria develops its activity in Europe, North America, and South America, Coria is a multinational firm. Besides, it has several facilities located around the world, that is why it is also classified as a multi-plant company. These facilities are dispersed around the different countries where it operates.

Concerning the legal structure of a company, the most common forms of business are sole proprietorship, partnership, corporation, and S corporation. Coria has the structure of a Limited Company under the current Spanish legislation.

Finally, the last step for defining the identity of Coria is to determine the scope of the firm. This consists of identifying the customers to which the company sells and the products it produces. Coria sells sports and fitness equipment to private users and big sports corporations. Its catalog of products is made by the following sports machines: Multi-Gyms, Exercise Bikes, Treadmills, and Elliptical Trainers. In the next section, it will be given deeper information about the product portfolio of the company.

## **2.2 The Structure of the Company**

### **2.2.1 The Company's Sector**

According to the traditional classification of economic activities, Coria Ltd. belongs to the Secondary or Industrial Sector because it carries out the process of manufacturing and assembling fitness machinery. It aims to transform the raw material into goods after completing certain processes.

From another completely different point of view, it can be affirmed that the sector to which Coria Ltd. belongs is formed by other 8 Sevillian companies, also of some other businesses, previously settled, that operate regarding the product and/or the market.

### **2.2.2 The Product Portfolio**

As Coria Ltd. developed, its product portfolio became more diversified and complex. It started with the Multi Gym and Exercise Bike, then the Treadmill was introduced and, finally, the Elliptical Trainer. In this section, a brief description of the four products and the analysis of their seasonality will be done.

## Multi Gym

Multi Gyms are bodybuilding machines that combine several possibilities and advantages of weight training and bench training. They allow you to perform many exercises that work alternately or simultaneously in the lower and upper limbs. Besides, let a few people to be trained at the same time (depending on the number of workstations), which increases motivation.

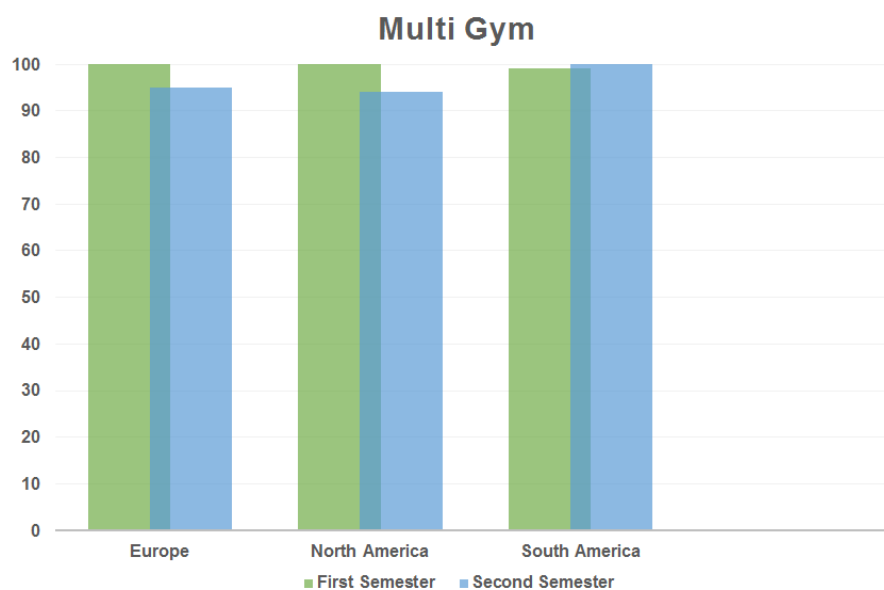
Figure 1. Multi Gym



Source: "Máquinas de gimnasio, Fitness y Musculación | GymCompany", n.d.

It could be observed in the graph below that seasonality decreases from the first semester to the second in Europe and North America. In South America, on the other hand, it increases. In any case, these variations are not significant.

Graph 1. Multi-Gym Seasonality



Source: General Department. Own Elaboration

## Exercise Bike

An exercise bike or stationary bike, fixed bicycle and cyclo-static, is a sporty device that simulates the exercise of a bicycle. Its structure is very similar to conventional bicycles; it has handlebars, saddle, pedals, etc. It is intended to simulate the use of a bicycle outdoors and therefore the pedaling effort that is executed in both bikes is very similar. Even training on a motorbike or a racing bike can be replicated.

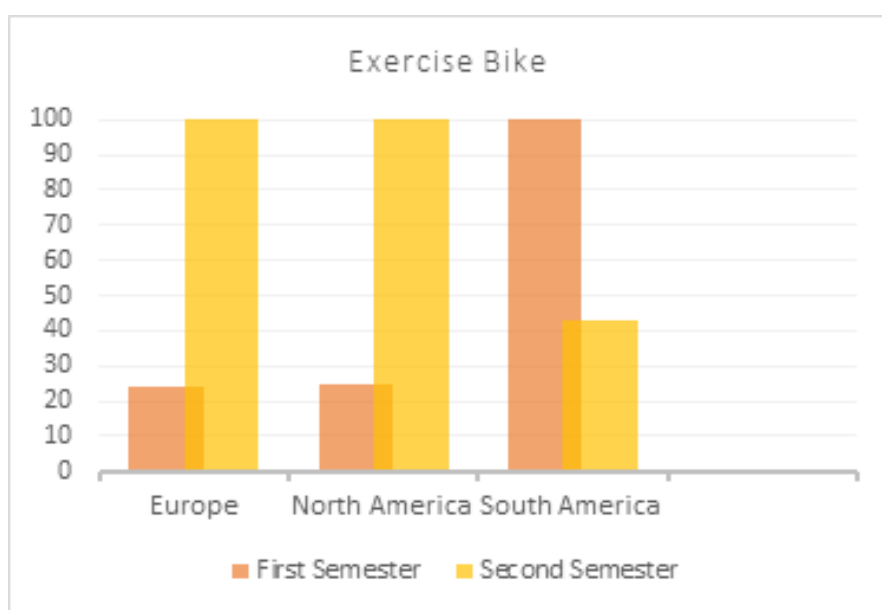
Figure 2. Exercise Bike



Source: "Máquinas de gimnasio, Fitness y Musculación | GymCompany", n.d.

In the case of the Exercise Bike, there is a considerable increase (up to three times) in the seasonality of this product in both Europe and North America. However, the decline occurring in the South American market is also substantial.

Graph 2. Exercise Bike Seasonality



Source: General Department. Own Elaboration

## Treadmill

A treadmill is a device generally for walking, running, or climbing while staying in the same place. It provides many of the benefits of classic walking or running, such as weight reduction and increased endurance; but it is less likely to cause injury, and as part of a workout, you can adjust the intensity, duration, and floor characteristics. Besides, it is more comfortable thanks to its adjustable height, supports, and the possibility of training at home.

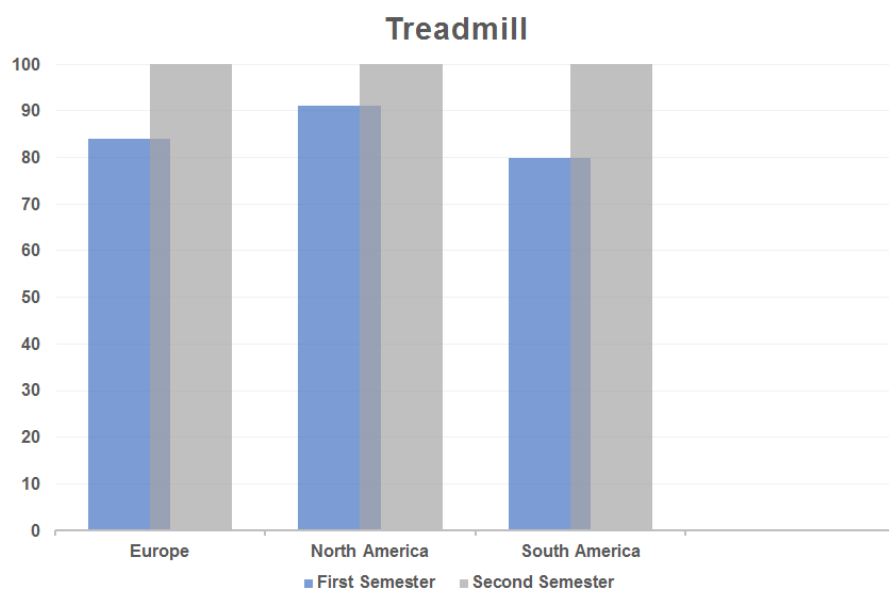
Figure 3. Treadmill



Source: "Máquinas de gimnasio, Fitness y Musculación | GymCompany", n.d.

Concerning the treadmill, it could be appreciated that seasonality from the first to the second semester is increasing in all markets.

Graph 3. Treadmill Seasonality



Source: General Department. Own Elaboration

## Elliptical Trainer

An elliptical trainer is a fitness device for doing a type of standing aerobic exercise, consisting of two pedals on which you ride and two vertical bars that you hold with your hands to assist the leg propulsion movement and make the exercise easier. It is a machine designed to simultaneously exercise the muscles of the body, smoothly and without effort, and could be used as an alternative to a conventional bicycle.

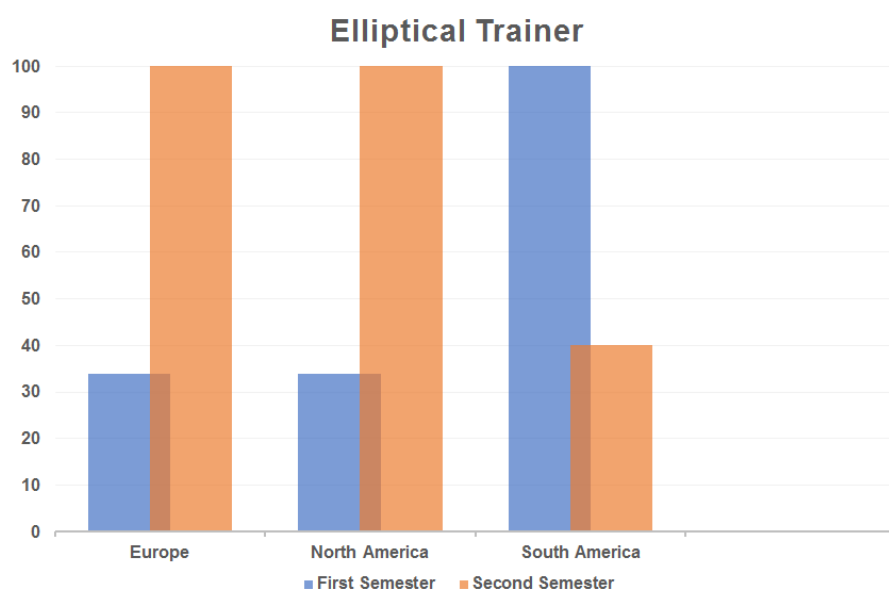
Figure 4. Elliptical Trainer



Source: "Máquinas de gimnasio, Fitness y Musculación | GymCompany", n.d.

Finally, it can be noted that, as in the case of the Exercise Bike, seasonality increases significantly in both Europe and North America, but decreases in an almost equal quantity in the territory of South America.

Graph 4. Elliptical Trainer Seasonality



Source: General Department. Own Elaboration

### **2.2.3 Physical and Human Resources**

Companies strive to compete in the marketplace for the best resources and capabilities. Resources are the set of inputs in the organization's production process that require a capability to be turned into outputs. Therefore, a good combination of resources and capabilities is essential for the survival of any business. Furthermore, it can make an organization gain a competitive advantage against its competitors. (Morales Fernández, 2015)

The Sevillian sports company is concerned with adapting its products to the needs of its different clients spread all over the world. For this reason, Coria Ltd. invests a great deal in human, financial, technical, physical, and technological resources, among others, to ensure the most suitable products for the customers' needs. As a result, the composition of Coria's Ltd. resources and capabilities are the following.

Firstly, the sports company has a wide range of tangible resources: physical resources, financial resources, and technical resources, which are essential to its business. Regarding physical resources, Coria Ltd. has several lands, warehouses, offices, and transport elements, among others. Its main activity is carried out in the facilities of the San Pablo industrial complex, where the majority of the sports machines are manufactured. However, despite having several offices in its different delegations, the main one is located in Plaza Nueva, Seville. Furthermore, the company owns several transport vehicles such as commercial cars, trucks, and vans.

Additionally, Coria Ltd. possesses a large number of technical resources. Coria Ltd. owns high-quality machinery, mainly for assembly and manufacture of its products. Also, its employees are equipped with the required tools to carry out their activities: computers, office material, personal protection, and safety helmets, etc. Lastly, it is necessary to highlight the financial resources of this enterprise which, without them, the viability of the company could not be assured. Despite cash, Coria has arranged several financial loans with financial institutions to fund its operations.

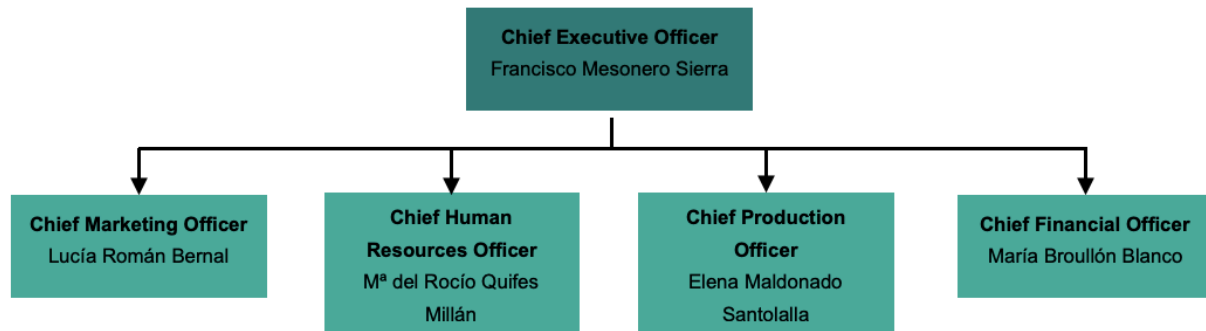
Regarding intangible resources, Coria Ltd. has invested not only in product innovation but also in technological resources. Due to the inversion in better production methods and new technologies, the efficiency of the equipment and staff has been improved significantly. On top of that, Coria has nearly one hundred highly qualified and motivated employees who are in charge of the different operating activities.



## 2.2.4 Organizational Structure and Internal Organization.

The organizational structure of the Sevillian company Coria Ltd. is a functional organization, which means that the employees are organized according to the duties to be performed (Robbins & Coulter, 2016). The following graph illustrates the organization chart of Coria Ltd. executive board.

Figure 5. Executive Board Organizational Chart



Source: General Department. Own Elaboration

As shown in the organization chart, Coria Ltd. is divided into two vertical hierarchical levels. On the first level is the CEO, Mrs. Mesonero, who is supervising the performance of the four operational departments of the company. Hence, it can be stated that the headmaster has a span of control of four because it directly supervises four different departments.

On the second level, it can be found the four operational departments that are overseen by Ms. Mesonero. These areas are the marketing department, with Ms. Román as Chief Marketing Officer (CMO), the human resources department, with Ms. Quifes as Chief Human Resource Officer (CHRO), the production department, with Ms. Maldonado as Chief Production Officer (CPO), and the finance department with Ms. Broullon as Chief Financial Officer (CFO). All four operational managers have a background in the departments in which they operate.

Even though there is a clear hierarchy between the Chief Executive Officer and the rest of the Chief operating officers, the company is fairly decentralized, as Ms. Mesonero allows all departments to be advised and delegates decision-making to the managers in question. Furthermore, as the executive board is relatively small, there is plenty of scope for information in both directions, which makes the decision-making process much smoother.

## **2.3 The Market for Gym Equipment**

Three markets make sense for Coria Ltd to expand into Europe, North America, and South America. The reason being that these markets encompass different kinds of customers, with different seasonality for the different products, which makes for a chance to balance out the company's portfolio. In the following sections, the intricacies of each market will be thoroughly examined to provide a better understanding of the markets Coria Ltd has expanded into.

### **2.3.1 Europe**

Europe is the primary market Coria Ltd performs in. It was the market where the company began, consequently, the knowledge of the area is much greater. The European market is made up of a population of 739 million inhabitants as accounted for in the latest survey. The most used currency is the Euro (€) and all the campaigns and costs incurred for products sold will be in this monetary unit.

Furthermore, the profile of the European client will be analyzed to gain a better understanding of their needs to meet them. Most of The European client is elite. Their concern lies with product quality and they are less sensitive to product pricing so long as they obtain the quality they expect. In what respects to their responsiveness to media, they are the least receptive to it. Nevertheless, they are equally receptive to publicity on the internet, the TV, the press and radio.

The European market is diverse, there is a clear delimitation within the population, the ones that pertain to the European Union, and the ones that do not. This is why due to the policies in action Coria Ltd.'s s product were first commercialized in the Schengen Area. Once the income perceived from the products retailing in this area was steady the Committee decided to expand into the rest of the European countries that were not a part of the customs union, such as Norway, Switzerland and the United Kingdom amongst others, which makes for a very culturally diverse demographic. Notwithstanding, there are many a link between the people of the region including, but not limited to, this abundantly mentioned geographical area. Some of these common traits involve a high educational level, which ultimately leads them to understand that to have a healthy lifestyle they must practice exercise, which is in line with Europe being the region with the highest life expectancy in the world, together with their nutritious diet. To conclude on the expose of this area, a great part of the tissue of their

population is made up of middle-class demography, whose purchasing power can purchase Coria Ltd.'s products at a higher price.

### **2.3.2 North America**

North America is the following biggest source of income for Coria Ltd. They are a smaller market composed of 528 million inhabitants whose currency is the dollar (\$). This last fact is relevant as all of the investments made in this market will be made in the local currency, which is one of the reasons why the exchange rate must be constantly reviewed to adjust the monetary quantity to the one effective and intended for the area.

The North American client is similar to the European in many regards. The main one being that they are also sensitive to quality while, although not as much as the European clients. Even so, they are dissimilar from the European client as are more sensitive to price than they are. In what respects to their responsiveness to media they are also more similar to the South American clients, as they are less responsive than the latter but responsive, nonetheless.

North America is composed of three countries Canada, the United States of America, and Mexico. The repercussions of these different countries coming together and being categorized as one is the high purchasing power of a very well defined and elite high and middle class, except for Mexico, where the middle class is not yet fully developed. All in all, Coria Ltd.'s experts have detected a growing awareness of how fitness has a positive impact on health.

Lastly, they are more responsive to media stimuli than the European market but less so than the South American one. Studies from Coria Ltd.'s marketing department have shown that they are the most responsive to publicity on TV and the internet, and this influences the decisions they make. This is a very relevant point, as creating the media mix that will stimulate the demand is key in the department and finding out how relevant each item is within the media mix.

### **2.3.3 South America**

South America is the most different market from the previous two. It is the smallest market with a size of 387 million inhabitants in the region. South America is a vast land composed of multiple countries, out of which Coria Ltd. operates in Colombia, Ecuador, Perú, Argentina, Chile, and Brazil amongst others. Due to Coria Ltd. being a large

company, they are capable of ensuring high legal security that allows them to invest large quantities of money without depending on special political treaties.

Another matter to be taken into account is that of the different currencies throughout the area, such as the peso for Colombia, Argentina, and Chile, Brazilian real for Brazil, US dollars for Ecuador, or the soles for Peru. Coria Ltd.'s clients make the payments in US dollars, given that most local currencies are subject to fluctuations, it must also be highlighted that all investments in this market will be made in dollars (\$), which, as is the case in the North American market, very close attention must be paid to the exchange rate variation.

Furthermore, the South American customer has very high bargaining power. That is, their power over the pricing of the items sold in this region is subject to their control. They are very dissimilar from the other two markets. The South American client has no regard for quality and will sacrifice it at the expense of a lower price. This is the reason why Coria Ltd. will produce a different product to retail in this market, as the quality in the other two will be much higher. The challenge Coria Ltd. has to overcome is the limited awareness of how fitness has a positive impact on health in this area.

Lastly, regarding their responsiveness, they're sensitive to marketing campaign efforts. This is the reason why a larger percentage of the marketing budget will be dedicated to this area. the marketing department has found that the two forms of media the South American client is most responsive to is the television and the internet.

## **2.4 Clients**

Coria Ltd.'s clients can be identified and classify into three groups: hotel groups, distributors, and private gyms. There is the main group of clients, distributors, which represents 60% of its sales. Being impossible to name all of them, they are a range of distribution groups who sell the final product to private households. To exemplify one of them, El Corte Inglés became the first distributor to be interested in Coria's products for being particularly innovative.

### **2.4.1 Hotel Groups**

A wide range of Hotel chains along with North America, South America, and Europe contracts Coria Ltd.'s services to provide them with high-tech gym equipment which allows them to provide their clients with fitness facilities as part of their luxury hotel facilities that make them such prestigious institutions. Among these clients are the

following: Marriott International Inc., Hilton Worldwide Holdings Inc., Radisson Hotels, and the Spanish Meliá Hotels International S.A.

The first one buying Coria's services was the Sevillian Hotel Silken Al-Andalus Palace in the year 2015, based "Los Bermejales", a neighborhood closed to the former Loyola University and that was hosting distinct international professors coming from abroad. Meliá Group signed a contract with Coria Ltd. in the year 2019. On January 2021, when Coria Ltd. first started to operate in the American market, it started to sign contracts with some of the most important and distinguished Hotel chains in the world.

#### **2.4.2 Private Gyms – Sevilla**

This is the third business line referring to Coria Ltd. However, these were the firm's first clients, as the company's outreach was limited to Seville and its surroundings when it was still in its inception. Currently, it presents only a small part of the great corporation's clients. Only Sevillian private gyms are part of its customer portfolio, as gyms abroad already prefer to contract local producers and the decision is also not profitable. Among those companies, the following can be found: Gym-Fit Sevilla, Galisport Happiness Club, and N-Joy.

#### **2.5 Competitors**

Furthermore, another item that must be considered is competitors. There are two ways to measure success: to measure the company's performance against others or to compare the company's performance against previous behavior. The one analyzed in this section will be the first one, as the second one will be more deeply analyzed throughout the entirety of this document. The main objective that a company must have to outperform others is to obtain a competitive advantage. To do this, the company must perform an analysis of the field, and analyze what are their strong points concerning other companies and exploit them to exceed the others. At Coria Ltd., this analysis is performed every semester. This is why depending on where Coria's products are retailing the strategy to gain said competitive advantage is per product to gain said competitive advantage. To this end, the Multi Gym and the Elliptical Bike product is following the innovation strategy as it is present in Europe and North America. The Exercise Bike is following a cost leadership strategy, as it is only in South America. Lastly, the Treadmill is following a quality strategy, in line with the context that they are being commercialized in Europe and North America

### 3 Marketing Department

Throughout this section, the objectives and methodology implemented for the functioning of the marketing department of Coria Ltd. are to be analyzed. To do this, the Four Ps method will be used to ensure a thorough analysis of the need for this department within the company.

The marketing department of the Company aims to be its powerhouse. To achieve this goal, all measures and decisions must be taken from a **strategic management** standpoint. This approach intends to achieve sustainable **competitive advantage** and defend it against competitors using analysis, planning, organization, implementation, and control. More specifically, **marketing management** is “the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value” (Kotler & Keller, 2016).

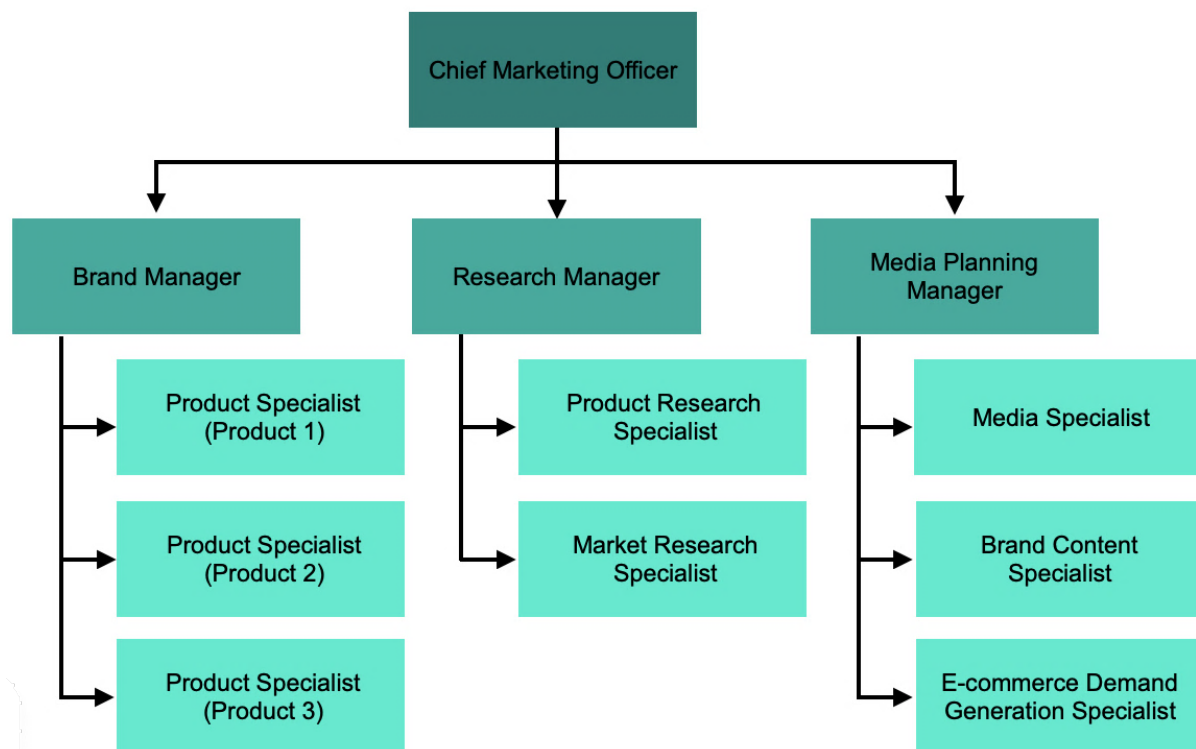
#### 3.1 Structure and Functioning of the Marketing Department

Strategic management is the key component that holds together the Company. Control over results is the most important tool, as, because of it, employee's performance can be followed. This control is exerted by previously setting a benchmark against which to measure employee's tasks to be done. Once they have been accomplished it can be measured against previously set standards to analyze any deviation there might be so that it can be righted through the established procedures after exhaustive analysis.

There are other purposes to which control serves different functions such as to inform the whole organization of the objectives, the standards, and the degree of achievement expected by the company. As well as to motivate, that is to involve all the members of the organization in the achievement of the objectives. To coordinate to guide all efforts of the individuals and groups in the achievement of the objectives, considering always the efficient use of resources. And, as previously mentioned, to evaluate the degree of achievement and to identify the cause of deviation to act by designing and implementing corrective actions.

To comply with the strategic management ideal, the Company has separated its employees and tasks they perform into three stages to have a clear line of management. The following figure visually explains the structure of the marketing department at the Company.

Figure 6. Organizational Chart



Source: Marketing department and own elaboration.

### 3.1.1 Strategic Level

Strategic level plans are designed with the entire organization in mind and begin with an organization's mission. They are devised by top-level managers such as CEOs or Presidents and are specifically designed to achieve long-term goals to guide the company. At heart, strategic plans serve as the framework for lower-level planning. These plans include the Company's vision statement, mission statement, and corporate and tactical objectives.

In the Company's case, the individual in charge of this position is known as the **Chief Marketing Officer (CMO)**. Applying the above-mentioned information, their role is to analyze and interpret the information collected by the Research Manager. This information will generally be concerning the market and/or the consumer. This information will then be inputted into a SWOT matrix, analyzing the strengths, weaknesses, opportunities, and threats of all possible decisions, like whether to develop a new product or expand into a new market. That is, the CMO will look for opportunities to win, either market share, higher sales, or a larger revenue.

Once this analysis has taken place the CMO will define the objectives for the company to achieve. The CMO and the Chief Executive Officer (CEO) will work in close relation. The CMO will present the CEO the possibilities and findings of their investigation and together they will take action. The CMO will then lay out a strategy together with their first-line managers as to how to accomplish these objectives.

### **3.1.2 Tactical/ Managerial Level**

Tactical level planning emphasizes the current operations of various parts of the organization, even though the focus of the analysis will remain in the marketing department. Operational management control is assessing the efficiency of the plans and methods used to ensure that the various individual tasks are carried out effectively and efficiently.

On this level, there are three main actors: **Brand Manager**, **Research Manager**, and the **Media Planning Manager**, all of whom report to the CMO as first-line managers. These are the responsibilities and tasks they carry out:

- **Brand Manager:** they are in charge of managing the views the consumer has on the product as well as the coordination of each of the Product Specialists. They are accountable for the correct pricing and strategy used for each of the products and ensuring that they are being correctly marketed, which is why they must work in close relation with the Media Planning Manager.
- **Research Manager:** they are in charge of coordinating the product and market research specialists and present their findings together with suggestions and insights to the CMO.
- **Media Planning Manager:** they are in charge of coordinating and offering direction to the Media Specialist, the Brand Content Specialist, and the E-commerce Demand Generation Specialist. They must ensure the correct allocation of the media expenditure budget and the correct image portrayed of the brand.

### **3.1.3 Operational Level**

Operational level planning is the process of linking strategic goals and objectives to their tactical counterparts. It encompasses milestones, conditions for success and explains how and to what degree a strategic plan will be put into operation during a given operational period, which, in the case of the Company it will be of six months. It



is concerned individual and group performance as compared with the individual and group role prescriptions required by organizational plans. Unlike the previous levels, it is defined in the short term with very specific and quantitative objectives.

The operational level is composed by a series of specialists reporting to their respective managers in the following manner:

- **Brand Manager**
  - **Product Specialist:** there will be one per product. They will be specialized in knowing the specific cost of the unit product and whether to market it in the different markets available or in the case of venturing into a new one, how to do so. They will also be responsible for the design of the product to adapt it to consumer taste and pocket to gain a larger profit.
- **Research Manager**
  - **Product Research Specialist:** they will be accountable for the innovation and development of the products and whether they can fulfill more needs or if there is a new opportunity to win with the development of a new product to add to the portfolio. Furthermore, they must analyze what would be the most significant actions the company hold take attending to the product's probable seasonality and stage of their lives.
  - **Market Research Specialist:** their responsibilities will lie with the assessment of the markets that the Company is already in, that is, how the competition is performing and their effect on the Company. Also, exploring new markets and obtaining insight into whether performance will enhance the company's results in the long run.
- **Media Planning Manager**
  - **Media Specialist:** they will be accountable for dividing the media spending budget into different campaigns for different products. Depending on the product and the market the campaign will be different as it will be explained in the following sections, which specifies whether a market is more receptive to Radio, TV, Press, or Internet campaigns.
  - **Brand Content Specialist:** it is also of the utmost relevance to know how to market, not just where, which is why once defined the budget for a specific product for a specific campaign, the Brand Content Specialist will design the

campaign tailored to the consumer specified by the researchers and the appropriate Product Specialist.

- **E-commerce Demand Generation Specialist:** is in charge of leading demand generation tactics and initiatives throughout several channels as a means to drive the growth of new consumers. They are in charge of design the web page and making it look appealing to the customer, designing the landing page to measure and captivate interest as well as trying to obtain their data to follow up with the consumer and attend to their needs in a more personalized manner to better suit their needs and sealing the sale.

## 3.2 Methodology

There are two types of operations that this department carries out, the normal, day-to-day operations which are decisions taken semiannually concerning prices, distribution, product, and media planning, and the extraordinary operations which involve product and market development. The methodology used for each one of them is presented bellow divided into suitable categories.

### 3.2.1 Day-to-Day Operations

To analyze the decision-making process in this section, the methodology used is the Four Ps: Price, Place, Promotion, and Product. This methodology is ideal to ensure all basis covered by the marketing department's day-to-day operations. This methodology was first proposed by E. Jerome McCarthy, but it was spread by Philip Kotler, one of the main experts whose references are used within this thesis.

#### 3.2.1.1 Price

Prices are set in the currency of the market they are in and according to the price and quality sensitivity of the market. Their goal is to cover the costs of the production, commercialization, and other general and financial costs and to then obtain a profit so that they can it can be invested in the betterment of the Company. But alas, there are sometimes when the figures for the previous years are not present which means that the cost per unit of product must be calculated.

1. The **costs of production** are the same as those applicable in assessing finished products when entering them on the balance sheet.
2. The **marketing costs** included in the calculation are: the investment in advertising carried out for each product in each market, divided equally between

all the units offered for sale, the unit costs of distribution, customer service expenditure in each market, equally distributed among all the units in the market, the wages of sales staff for each market, equally distributed between all the units in the market, the cost of any new campaign that may have been started during the last period for a product in a market as well as the advertising costs that may have been invested during the last period for a product in a market.

3. The **financial and general costs** are distributed among all units put on sales such as staff costs excluding wages, storage costs, information costs, administration costs, cost of supplies, depreciation of investments in R&D&I, depreciation of buildings, and interests on short- and long-term debts.

One last factor to take into account is that price will drive demand. For example, in the case that demand is higher than the Company's ability to produce, the Company's strategy could be to raise the price to lower demand and better meet the demand with the supply. Furthermore, depending on the market the Company's ability to do this will fluctuate as some markets are not as sensitive to price fluctuations as others.

#### *3.2.1.2 Place*

Concerning distribution, three main questions must be taken into account: how much to distribute, what distributor to use, and what payment method to use.

In the first place, **how much to distribute** has to be decided. In some cases, it will not be in the best interest of the company to distribute all the units available. There will be circumstances, such as bracing for the high seasonality of a product where not all the units produced will be distributed and some will be left in storage to be better prepared for the following period. In the same manner, it could also be the case that more units are distributed than they are produced. This strategy is sometimes enforced by the company so that the strain on the employees and the machines that produce the products is not so large and costs can be lowered through less staff's extra-hours and machine rest. However, the Company will always aim to distribute 10% more than the sales goal, so that if it is exceeded to sub-contracting will take place which would lower the margin previously calculated in the above pricing section.

In second place another fundamental question which is: **what distributor to use?** To answer this question exhaustive analysis was performed of the three available

distribution companies: KHL, Transportelia and, Planet Express. The data taken into account for this analysis was taken regarding four aspects: price, quality, loyalty discount, and deferred payment charge. What was found was that lower quality distribution services came at a lower price but offered a higher discount, while on the higher quality end of the spectrum the contrary occurred. Depending on the strategy set by the CEO and the CMO a different distributor will be chosen as the quality of the distribution also affects the quality of the product perceived by the consumer. This is why the Company adapts the different strategies to the different products in the different markets, to satisfy demand in the optimum way available.

Lastly, in third place, the last question the Company asks when referring to the distribution of the products is: **what payment method to use?** In this respect, the CMO and the Chief Financial Officer (CFO) work closely to figure out whether it is best to pay in cash or to pay in overtime. Depending on the CFO's advice the CMO or the respective representative will decide what is most suitable at that point.

#### *3.2.1.3 Product*

This section is comprised of two subsections of its own: quality control and customer service. The first one, **quality control** is the percentage of time that the staff will spend on performing quality control which can range from none to 10%. This decision is taken together with the CEO and the Human Resources Manager, as it has more to do with the strategy the products decide to follow and any variation on it will affect the calculations made by the Human Resources Manager, which can ultimately affect the decisions taken by the CFO and offset the semester's budget. This whole process makes it very delicate and clear interdepartmental communication must be established for the optimization of the quality control area.

The second one, **customer service**, is a decision taken also in conjunction with the CEO as it pertains to the holistic strategic future of the company. Depending on what the established strategy is and how it involves services a choice must be made about the customer service expenditure in the different markets amongst which are four options: no expenditure, generic or specific. The main difference is the amount spent, while the main debate is whether to establish one of the last two options, as the Company will always try to satisfy its consumers as best it can. The main difference between the two modalities is that while the generic modality is not concerned with the

different products sold, the specific is, which is why the price will escalate depending on the number of products in each market, because, as mentioned, a choice must be made in regards to each separate market.

#### *3.2.1.4 Promotion*

The main idea the Media Specialist must take into account is that depending on the market, some will be more influenced by campaigns than others. Once that has been taken into account the Media Specialist must reach out to the Research Manager to obtain insight into what specific media each market is most receptive to out of a choice of four: television, radio, press, and internet. The investments will be done per product within a specific market and toward a specific media. Several media can be chosen and there is also the choice to put money toward an item that has not been produced or distributed yet to create expectation and make sales soar once it launches. Nevertheless, once this plan has been devised it must then be approved by the CFO corrected for the amount given and then implemented. In some cases, the CFO will directly communicate to the Media Specialist the budget to be spent on media planning to save time and delegate some of the functions.

### **3.2.2 Extraordinary Operations**

There are two main extraordinary operations: product development and market development. These two are leads thoroughly investigated by the Research Manager and their team taking into account all components of a SWOT (Strengths, Weaknesses, Opportunities, and Threats) matrix.

A SWOT matrix is an analysis performed to assess the level of risk of a decision and the gain that could be obtained from it. It is divided into an examination of the internal environment of the company, that is what can be controlled, and an examination of the external environment, that is, what cannot be controlled.

On the one hand, within the internal environment, two opposites are found: strengths and weaknesses. Strengths are defined as those factors of the company that could affect positively the degree of achievement of the Company's objectives. Weaknesses are nonetheless held as those factors that could negatively impact the achievement of the company's goals.

On the other hand, within the external environment, another pair of opposites are found opportunities and threats. Opportunities are defined as factors that affect or could

positively affect the achievement of company objectives. While threats are defined as those factors that affect or could negatively affect the achievement of company objectives.

After this initial analysis, which acts as a screening mechanism for possible opportunities. From this point forward the strategic department will be the one in charge of the assembly of a strategy to be presented to the rest of the Company to be voted upon due to the delicate circumstances it can produce as exemplified in the following section.

### **3.3 Departmental Interrelation**

As can be verified throughout the report some insight into this section has been already discussed, it will, regardless, be exhaustively examined in this section.

- **Strategic Department.** This department in which the CEO is the maximum representative is the most relevant regarding departmental interrelation as it is the most linked to the marketing department. In the first place, the obvious relation is through the connection of the functions of the marketing department's very own CMO. They must both work together with the insight gained from the Research Manager to plan for the long run and highlight a well-established plan for the rest of the marketing department to follow.
- **Finance Department.** Undoubtedly, one of the controlling mechanisms of the marketing department is the Finance department. The CFO and the Media Specialist work in close relation as highlighted in a previous section. Also, another spending such as customer service and whether or not to pay in cash to distributors. However, this relationship delves deeper, as no product or market development can be performed without the final approval from the CFO, seeing as even if it is sometimes a great opportunity to expand a product line or market in some circumstances the financial backlash from that decision is one the Company cannot risk.
- **Production Department.** The production department must communicate to establish the number of units to be distributed of the different products, as well as to emphasize in the media planning those items that will be more exhaustively produced.

- **Human Resources Department.** The main tie holding these two departments together is the quality control, which both departments establish in conjunction. The two departments must both work toward the same strategic objectives and agree with this decision.

In the case of new product development or the development of a new market, all five departments within the company must be in full agreement. Expansion can be a great chance detected by the **marketing department** to grow the Company, and the **strategic department** can be in full agreement. Nevertheless, if it were the case that the Company cannot assume the cost, the **financial department** will veto the project, as the revenue would not exceed the cost and profit would not be made, or the Company would experience a loss, which is something the Company must try to avoid. It also might be the case that the **human resources department** is not sufficiently staffed, or it does not at the moment have the amount of staff with the required level of formation, which is also a reason to not take the risk of developing. Lastly, the **production department** could not be in agreement with the timing of the endeavor to accumulate production and not cause as much a strain on the machinery.

#### **4 Analysis of the Results of the Management Performed by the Marketing Department**

As previously mentioned, the role of the Marketing Director is to monitor and control the marketing department's results to correct any deviations from the standard that may happen in time and evaluate these results. In this management context, control is not to be regarded as the stereotypical version of authority. That is, not in the stereotypical meaning of micromanagement and over-controlling or even interfering in a subordinate's work or impeding them to work to the best of their ability due to the marketing director not being able to delegate. Management in Coria Ltd is to be regarded as Pride and Ferrell's marketing control process, which entails "establishing performance standards, referred to as an expected level of performance against which actual performance can be compared, evaluating actual performance by comparing it with established standards and reducing the differences between the desired and actual performance" (Ferrell & Pride, 2008).

Another author whose work can help Coria Ltd.'s vision of control is R. N. Anthony, who is credited with the introduction of management control. His classic definition,

proposed in his 1965 book entitled "Planning and Control Systems", is "the process by which managers assure that resources are obtained and used effectively and efficiently in the accomplishment of the organization's objectives" (Anthony, 1965). Three main ideas can be obtained from this definition. First, management is a process, it is not a step but a matter that happens over time. Second, resources must be obtained and used effectively and efficiently. Lastly, this process must be oriented toward the accomplishment of the firm's objectives.

Delving deeper into the first idea, management control is a process that can be broken down into four steps:

1. **Set performance standards**, which in Coria Ltd.'s case is obtained through research within the specific competent area,
2. **Measure performance**, which proposes that there must be several key performance indicators (KPIs) set in motion, entailing that the steps to reach the performance standards must be measurable and reasonable,
3. **Compare performance to standards**, through the use of these key performance indicators, and then,
4. **Take corrective actions** required to assure that all corporate resources are being used cost-effectively and efficiently possible in achieving the objectives.

Throughout this section, several key performance indicators for Coria Ltd. will be established and this process will be exemplified and not just measured against the Company's standards, but also to how the competition is performing, which is also an important indicator to take into consideration.

Moreover, probing into the second idea, resources must be sourced and allocated effectively and efficiently. The way Coria Ltd. sources their products is part of the Production Department's scope of operation. Nevertheless, several other matters do fall within the Marketing Department's competency. Therefore, the efficiency and effectiveness of these concerns will be analyzed. These items are especially when deciding the prices of the products and the allocation of the budget to the media planning. The management control process will be evaluated within the four areas and the relevant decisions taken relative to each matter will be highlighted to exemplify the



different situations a company can experience and how right and wrong decisions can aid a company in moving forward and growing through this trial and error process.

## **4.1 Price**

In previous sections, the process through which the prices of the products have been obtained has been explained. Nevertheless, the application of the definition by Anthony will serve to better demonstrate the necessity for control management in the Marketing Department. Furthermore, the price sensitivity in the different markets varies which is too something to take into consideration. For these reasons, the control management process is accordingly analyzed.

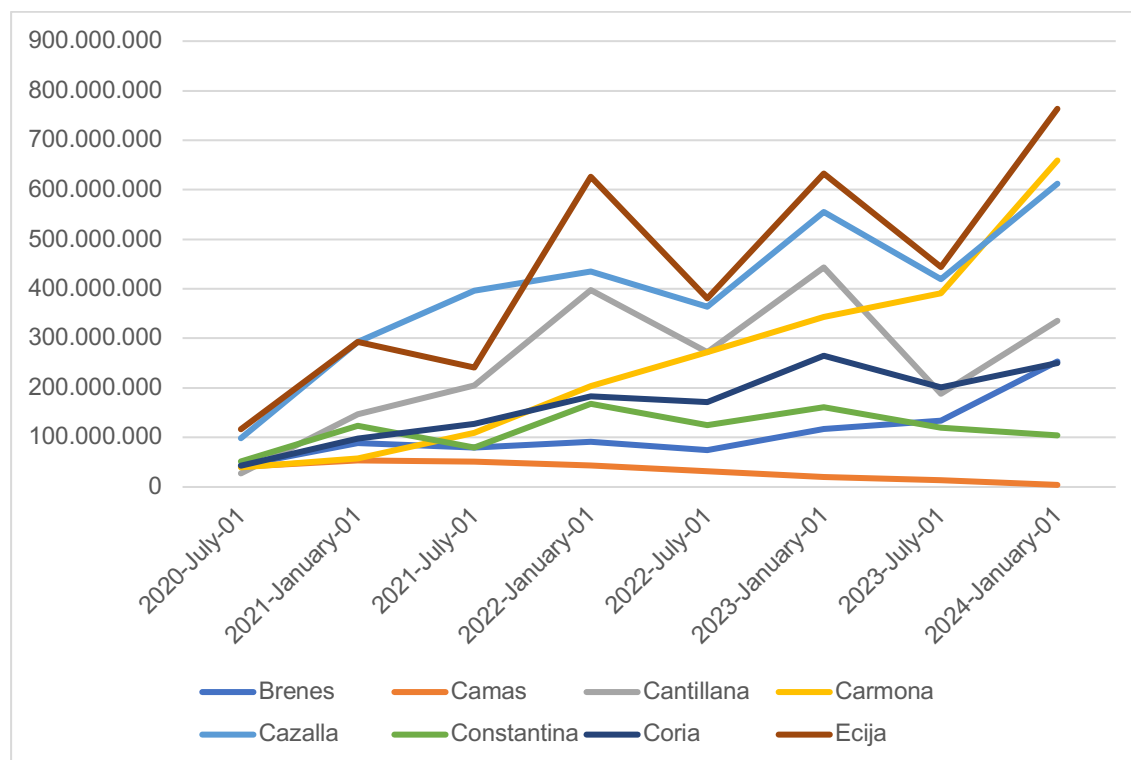
### **4.1.1 Set performance standards**

The main performance standard, that is, the critical figure that needs to improve due to the price factor is sales (€), which is made up of many other factors and the relevance of the price of the merchandise is different depending on the various markets. South America is more responsive to a low price, while Europe is more receptive to high quality, while North America is receptive to both. Two main key performance indicators aid the Marketing Director in their decision making: sales in units and market share expressed as a percentage of the market. With each product in each respective market, these two key performance indicators are observed to analyze whether there is growth occurring or not.

### **4.1.2 Measure performance and comparison against standards**

The following graph is necessary to justify the need for sales to be watched. Looking at this curve something that stands out is the seasonality that all the companies experience, they all have high-selling periods followed by drier ones. This is why seasonality could be one of the factors to be taken into account, but would not be treated as a key performance indicator, as they do not give us relevant information about whether the price is or is not affecting sales, as many other components make up that result, from what strategy was followed, to the investment in the media mix, the quality of the merchandise, or how good the customer service is to name a few. This is a clear example of why key performance indicators must be carefully chosen and analyzed. A variable might be good for revealing some information but maybe it is not the data needed to make an informed decision on a matter.

Graph 5. Sales Figure (€)



Source: Marketing department and own elaboration.

Nevertheless, others can be efficient and effectively translate the information that is needed. Another dimension that must be taken into account in the scope of the variable, if the sales had been per product per market, the information that could have been obtained would have been of great value. The two key performance indicators chosen are the units sold and the market share per market per product, not just on their own but formatted into a table like the one below, including the same indicators for the rest of the companies in the North American market for the period ending on January 1st, 2024 for the treadmill. The way the marketing director measures how the company's price is by averaging out the price of all the companies and indicating whether Coria Ltd.'s is above or below the average if it is above, taking into account that it is North America it is not relevant, which would also be the case if it were Europe's, although, if it were the South American market, then it would be a red flag and that should be immediately changed. Next, the table is organized by decreasing market share (%). Coria Ltd. wishes to be in the top half of the table. In this case, Coria Ltd. is toward the middle in this case, which means that something must be done to improve the situation.

Table 1. Price and Key Performance Indicators for Price on 2024-January-01 for the Treadmill in North America.

Company	Price (\$)	Units Sold	Market Share (%)
Cazalla	1.420,00	100.000	26,51
Ecija	1.400,99	77.600	20,57
Carmona	1.320,00	52.000	13,78
Brenes	1.250,00	37.234	9,87
<b>Coria</b>	<b>1.420,66</b>	<b>35.000</b>	<b>9,27</b>
Cantillana	1.416,94	29.962	7,94
Constantina	1.400,99	28.776	7,62
Other (2) (Average)	1.650,90	8.297	2,19

Source: Marketing department and own elaboration.

#### 4.1.3 Take Corrective Actions

The price is as much a strategy as good quality, good image, or outstanding customer service. Corrective actions are reduced to four options: raise the price, lower the price, maintain the price, or remove the product from the market altogether. The price will be raised if the key performance indicators allow it, which is why on occasion when Coria Ltd. has struggled financially or has wanted to balance the cost of a market investigation, the prices of all products have been raised 0,99€ which is a small amount per product, but it adds up to a large amount in sum.

Most of the time the price is maintained, as conditions call for it to be maintained, but others it is lowered to be more competitive within the market. Notwithstanding, other things that must be considered is whether the price is coherent with the cost of the product. As will be later explained, South America is a conflicted market, as it is responsive to lower prices and pricier campaigns. If the price is not enough to cover the cost decisions must be made, whether to raise the price, lower the

commercialization cost, or to remove the product from the market altogether, which is what the company has been forced to do on occasion.

## **4.2 Promotion**

Media Planning is the main source of expenditure in Coria Ltd. As is exemplified by the large figures in the graph in this section. The management of such large quantities of money involves a higher level of control and the requirement for this control to be more detail-oriented and for it to be exercised with the most power.

### **4.2.1 Set Performance Standards**

The performance standard is to improve the coverage per market per product of the media mix used. As previously explained, different markets react to different combinations of the media mix. This is the ultimate goal of this section, to be able to obtain a 100% media coverage, that is, figuring out what the best media mix combination is for every product in each market.

### **4.2.2 Measure Performance and Comparison Against Standards**

There are three main key performance indicators in this section that must be taken into account to analyze the progress in the coverage of the different markets: media coverage (%) per product per market, commercialization cost, and media investment per product per market.

The first, media coverage is the main indicator, it is the one that will reveal whether the investment was fruitful or whether it could be better allocated. There are aspects to this particular key performance indicator, such as there are limits to how far the campaign will reach, on the counterpart, once a campaign has been rolled out, there will be a residual coverage imprinted in the market. An example of this, and a recurring issue in the company, is the fact that once the media coverage study for the semester is fulfilled after entering a new market, the result is that the market has been saturated and they could not respond to such a large campaign, which, moving forward the company will try to reduce.

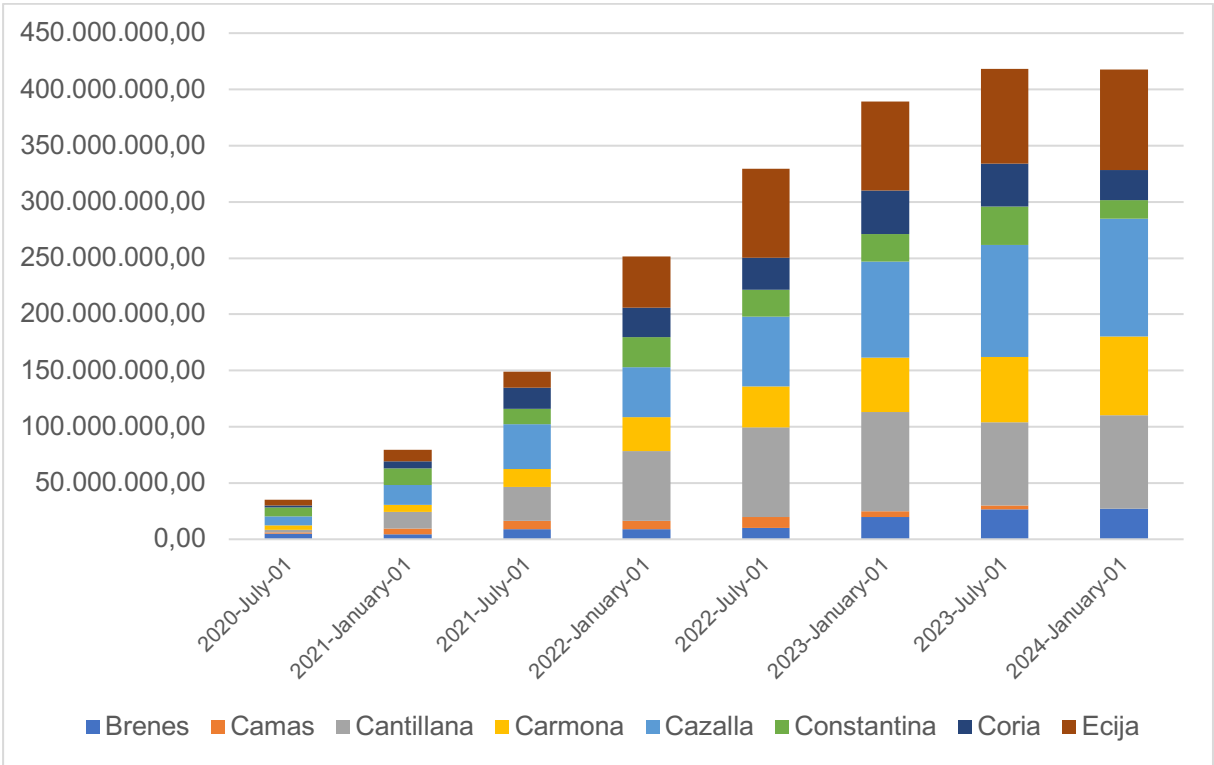
The second, commercialization cost is, as previously mentioned, made up of the investment divided by the number of units sold. This is a sometimes-unreliable key performance indicator, it fluctuates every term due to product seasonality, as well as over-optimistic expectations. One of the key elements to understand its relevance is

that, sometimes, the product will leave a small profit margin to the Company, especially in the case of the South American market. The South American market is well-known for reacting to a big investment in media, for a product at a very low cost. For this reason, on some occasions, selling a product in this market has cost more than the return obtained, which is not an outcome desired by Coria Ltd.

The third, media investment per product per market, is the key performance indicator from which the others develop. This is the first step, the main investment. Depending on the strategy for the product, the market and their state in their product life cycle a decision will be made over another. For example, the multi-gym and the treadmill in the European market are the oldest products in the Company's portfolio. For these reasons, the market and the declining stage of their life cycle, the investment made in them is diminishing, so to better allocate to other products the funds.

The following graph exemplifies the growth of the inversion in the media mix planning throughout the past four years. Several aspects seem relevant to mention to Understand why Coria Ltd. has always been the one with the second-highest expenditure in media planning. The first one is the Company's desired to be an industry leader and to be recognized, as Coria acknowledges the need to invest to obtain a return. The main point of conflict is to learn to differentiate whether the Company does need to invest more in media planning or whether they just wanted to out-spend the rest of the companies. What the Marketing Department has discovered is that there is such a thing as an apex when it comes to spending in media. As seen on the graph, Coria has now started to decrease investments in the media the reasons being that the Company's product portfolio is now stable. The Company has now reached a point where all of the different products in their respective are faring well. They are being bought, they have achieved a sizeable portion of the market share and there have been enough funds allocated throughout the years so that there still are remains from the past investments.

Graph 6. Investment in advertising (€)



Source: Marketing department and own elaboration.

4.2.3 Take Corrective Actions

Once the actual results of the key performance indicators have been compared to the performance standard conclusions can be drawn. If the coverage reveals the market is saturated a lesser budget will be allocated to the product. If the actual commercialization cost once contrasted with the price, two actions can be taken: either raise the price or lower the commercialization cost which means to lower the amount invested in this specific product's media mix. As explained before, setting the price for a certain product can at times be challenging, as it has to be competitive, adequate to the market, and the strategy being followed with that product, and the profit margin can sometimes not be as flexible. Lastly, sometimes the company cannot afford to invest a large quantity in a specific semester, which is why the amount will need to be lowered, or it will be raised if the company deems it necessary if the profit margin is increased by an increase in the price, for example.

One situation Coria Ltd. has experienced is not allocating any funds to a certain product. When that has occurred, the Company has seen that no units of that merchandise were sold, which is another incentive for the company to allocate even if a small budget to the media mix, as it is a very competitive environment.

### **4.3 Place**

As for the distribution of the products, there are no drastic decisions were taken. Nonetheless, Coria Ltd. maintained a steady proportion between the quality of the products and the method of delivery. As mentioned, there are three main questions concerning this area: how much to distribute, what distributor to use, and what payment method is more adequate.

In the first place, the quantity that was distributed was conferred upon between the CPO and the CMO, which is why the aimed 10% over sales distribution plan was not followed, and instead the sales goal was the distributed amount. This arises both positive and negative aspects, on the one hand, most times the sales were below the established goal, so the distribution cost was at times higher than it could have been, nevertheless, the over expenditure in this area was not significant. On the other hand, there were times where supply was not able to cover the demand, which exceeded any expectation Coria had, and the opportunity to both increase market share and earn a profit was lost.

In the second place, the distributor selected for each product was finally a matter of the quality Coria wanted their customers to perceive. Because of this, all three distribution companies have been used, to present a clear example of this logic, in the South American market, as has been intensively mentioned, price over quality is preferred. This is why the cheapest distributor, KHL, was chosen in this case. Some products which were following the quality-above-all strategy used Planet Express as a carrier. And in the case quality was somewhat important, the average quality distribution company, Transportelia, was preferred.

### **4.4 Product**

Concerning this section, there were no relevant decisions taken. As introduced, this area is divided into two separate branches: quality control and customer service. In the first one the strategy was developed conjointly with the CHRO and was adjusted taking into account how many hours the workers could spare as well as how high the quality for the product was supposed to be. For this reason, the product developed for the South American market was not expanded into the North American or the European one, as their quality standard is higher which would make the costs incurred to raise the price of the product and thus, the South American clients would purchase from

other companies. The lower quality product developed for the South American market was the Exercise Bike, which did not sustain any quality control costs, while the Treadmill, Elliptical Bike, and Multi Gym products averaged an extra 8% to 9% of time spent checking their quality.

In the second one, customer service was set by the market conjointly for all the products commercialized. Following the same logic as in the previous section, no cost was incurred for customer service in the South American market to maintain low prices. In the North American and European markets, the strategy followed was to use generic customer service, while switching to more specialized customer service if market research studies developed by Coria's research team concretely specified it would be advisable for the company to do so.

#### **4.5 Conclusions**

To conclude, several methods were put in place to standardize the process and to be coherent with each of the distinct markets' needs and the different products. Being methodic is critical when it comes to a large company. Standardizing processes and having several solutions at the ready is good when it comes to day to day operations. Nevertheless, Coria Ltd. is open to their worker's feedback, and the decision-making after obtaining the results is made by a group of experts in the matter. The longer the process is in motion, the more refined and accurate the decisions are taken will be to the point where only slight changes will need to be made unless there are large changes within the company or in the environment.

As evidenced in this section, the methodology used was coherent which has led to different successes such as:

- Accurately defining the price point to be competitive and cover the costs incurred for the product.
- Use promotion to increase both sales and market share.
- Increase media coverage for all products by achieving the best media mix for each of them individually.
- Be one of the most competitive companies within the market, as evidenced in the Annex.
- Taking corrective actions towards matching supply and demand.
- Chosen the most accurate distributor for each product.



- Fairly distributed workers' time on quality control within the markets.
- Detailed the best customer service following each of the markets' needs.

All in all, Coria Ltd. has almost always taken the right decisions for each specific situation, considering the main key elements and observing and studying the data collected by the experts, which is why it is a growing but a consolidated company in the European and North American markets, and it is beginning to have a bigger impact in the South American market. Coria Ltd. has a solid mechanism that it has perfected and is ready to continue being a leader in the industry.

Since the new management team came in, the company has transformed into an industry leader and a competitive firm present in three markets and with four products in its portfolio. An executive summary was made by the marketing department to highlight the main achievements of the board of executives since the change in leadership and is present in this document's annex. The more relevant aspects of this executive summary are:

- Over 90 million euros infused on Research and Development to enhance and better Coria's products and presence in markets.
- About 2.5 million euros invested in training Coria's employees, making the large majority of them obtain higher qualifications and transform the company from one with employees with low to no qualifications to more educated and capable individuals.
- Improvements in machinery raised efficiency to 13,68%
- 184 million € funded promotional campaigns which translated into larger sales; increasing average annual net income by 37,1% and average annual sales increasing by 53,34%.
- Augmented market share and full media coverage of all products in all markets.
- Strengthened financial security, with an average annual ROA of 23,49% and an average annual ROE of 25,93% and decreasing average annual debt by 28%.

The marketing department has been successful in achieving its initial goals of gaining market share, keeping prices as low as competitive as possible, and accurately determining the media mix for each one the products in Coria's portfolio. Furthermore, as evidenced above, the expenditure in marketing has been successful, as Coria's

average annual net income has increased by 37,1% and average annual sales by 53,34%.

As for what the company aimed to achieve throughout the process, it has achieved the three main objectives that were set: internationalization, develop new products, and to comply with the United Nations Sustainable Development Goals. This final thesis has proven in a relevant and concise fashion the evolution of the Company throughout the four years since new management took over. Also, the quality and research developed as well as the results obtained show the necessary knowledge needed as a business management graduate, with special emphasis in the marketing area.

## **5 Personal Experience**

My personal experience in the simulator has been full of ups and downs. There have been frustrating moments but also moments full of joy when finally achieving something that we had been hoping for. One of my main struggles was trying to overcome the burden of being the department that did the worse. This was especially hard because during the trial period the marketing department did splendidly. It is also true that much less money was invested into marketing during the trial period, and by investing more the yield from those operations was much lower, given that at some points the commercialization cost would overpower the price and therefore sometimes the profit margin was either small or non-existent.

Also, another issue was the fact that we could see how much the rest of the groups were spending in media planning, and our team was in two minds regarding what to do: should we match their expenditure, or should we be reasonable and invest much less? It was a challenge, and in the first decision we tried to be reasonable, but when the teams that invested the most in media planning got the higher market share it pushed us into an over-spending over-drive. Once we realized that we were just losing money we decided to relax our money-investing policies, as I saw that the coverage that we were obtaining was the highest one possible, and there was no need to allocate that much capital into that particular resource.

It was a great way to learn how to communicate with my teammates, and I do believe that it was one of the best teamwork experiences I have had during my collegiate career. It was good to do this before being thrown into the real world. I am very grateful to them and to all the professors that have aided informing me to be ready and

prepared to take on such a task, from the ones I had my first year of college who took my hand and helped me adjust coming from a technological background to the ones in my Italian and North American experiences, to the ones that have accompanied me this past year, even online when it has been necessary.

Nevertheless, I do feel like I would have gained a richer experience from having done a traditional final thesis. It would have been more tedious, I admit, but the simulator is that a simulator, it is a reflection of a company, a very simplified one. We have not been able to play with more variables. Most of the final thesis has ended up being researching sources that I have used throughout these past years; which I appreciate revisiting subjects I have taken over the years. I do feel like I would have been more interested in examining to a further extent a Company or researching a more specific area within a department.

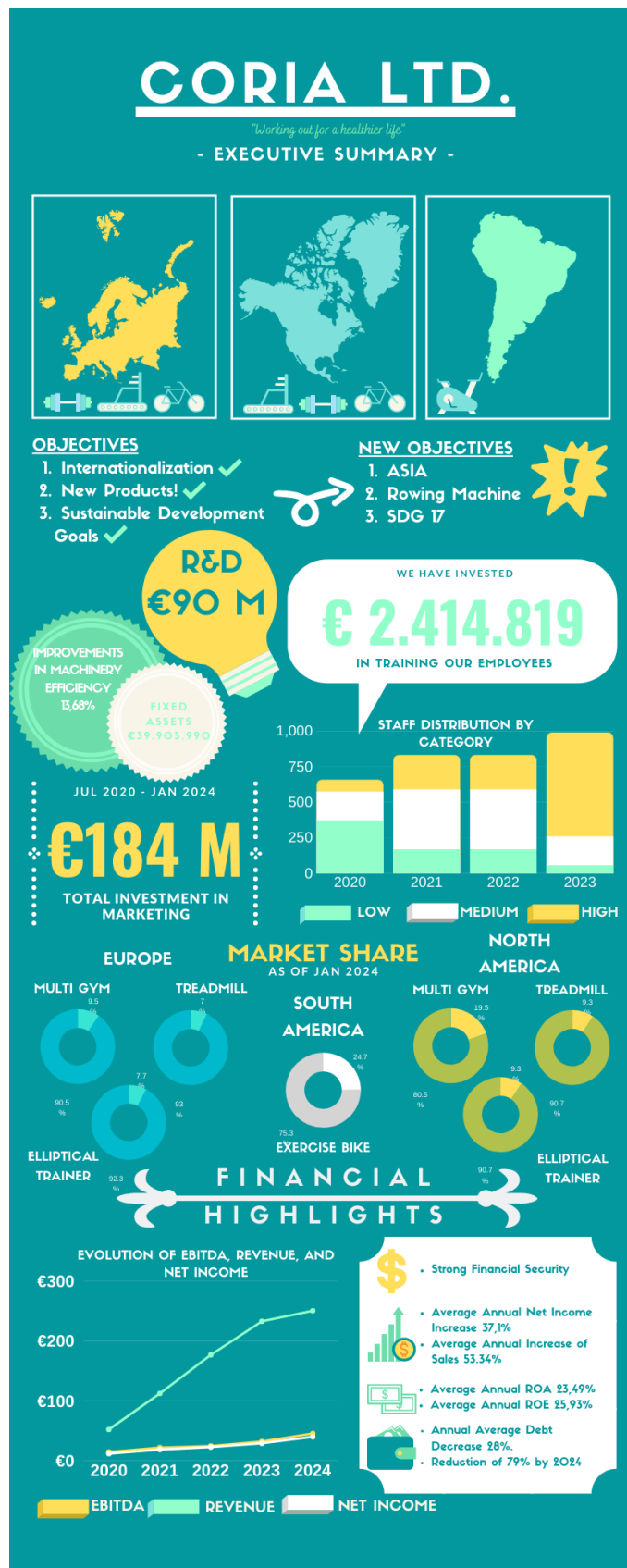
Nonetheless, it has been a pleasant experience and I understand why it is needed with such a large student body in this particular field. It has been a good way to experience how interrelated all the departments within a company are and how much they need to be in the same stride and how communication is very much necessary to be able to take the company further. I have found that my initial hypothesis coming into college about the need to treat people with empathy and to be an integral individual as well as to listen to advice not just given to you by your superiors, but by your equals can make you learn and go much further.

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## Annex

Figure 7. Executive Summary January 2020 - July 2024



Source: Own elaboration.